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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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ATATEKS FOREIGN TRADE LTD., JORDAN
and ATATEKS DIS TICARET A.S.,

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Plaintiffs,

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v.

Index No:
07 Civ 6665 (HB)

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PRIVATE LABEL SOURCING, LLC and
SECOND SKIN, LLC,

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Defendants.

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May 29, 2008
10:02 a.m.

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Deposition of CHRISTINE ANN DENTE,

15

taken by plaintiffs, held at the offices of Eric

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J. Grannis, Esq., 620 Fifth Avenue, New York, New

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York 10020, before Maureen McCormick, a Notary

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Public of the State of New York.

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2 APPEARANCES:

3

4 ERIC J. GRANNIS, ESQ.

5 Attorney for Plaintiffs

6 620 Fifth Avenue

7 New York, NY 10020

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10 NESENOFF & MILTENBERG, LLP

11 Attorneys for Defendants

12 363 Seventh Avenue, Fifth Floor

13 New York, New York 10001-3904

14 BY: PHILIP A. BYLER, ESQ.

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17 ALSO PRESENT:

18 DAVID CONNELLY

19 ALP DUMAN

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STIPULATIONS

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4 IT IS HEREBY STIPULATED AND AGREED,
5 by and between counsel for the respective parties
6 hereto, that all objections, except as to form,
7 are reserved to the time of trial.

8 IT IS FURTHER STIPULATED AND AGREED
9 that the deposition may be signed and sworn to
10 before any officer authorized to administer an
11 oath.

12 IT IS FURTHER STIPULATED AND AGREED
13 that the sealing and filing of the deposition be
14 waived.

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1 C. Dente

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2 CHRISTINE ANN DENTE,

3 called as a witness, having been duly sworn,
4 testified as follows:

5 EXAMINATION

6 BY MR. GRANNIS:

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7 Q. What is your name?

8 A. Christine Ann Dente.

9 Q. Where do you reside?

10 A. 935 Sedgewick Court, Westfield, New
11 Jersey 07090.

12 Q. Hello, Ms. Dente. Welcome.

13 A. Thank you.

14 Q. If any of my questions are unclear,
15 just ask me to rephrase them.

16 A. Okay.

17 Q. Just also remember a couple of things
18 that are just useful in depositions, which is
19 that, you know, in normal conversation, we
20 sometimes will nod our head or say uh-huh, but
21 it's better in a deposition to say yes or no so
22 the court reporter can hear it.

23 A. Okay.

24 Q. And the other point is that sometimes
25 in conversation people will understand a question

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1 C. Dente

2 halfway through and will begin answering it
3 because they know where the question is going,
4 but in a deposition it's better to let me finish
5 the question, even if you know where the question
6 is going so that the court reporter can get it
7 clearly down before she takes down your answer.

8 A. Absolutely. No problem.

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- 9 Q. Ms. Dente, did you go to college?
10 A. Yes, I did.
11 Q. Where did you go to college?
12 A. Fashion Institute of Technology in
13 Manhattan.
14 Q. Did you graduate?
15 A. I did.
16 Q. When did you graduate?
17 A. 1985.
18 Q. Can you give me a very brief overview
19 of your career in fashion or business prior to
20 founding Private Label?
21 A. Would you like exact companies and
22 dates?
23 Q. How many of them would there be,
24 approximately?
25 A. About five.

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- 1 C. Dente
2 Q. Yes, let's do that.
3 A. Okay. So I can reference my --
4 Q. Absolutely.
5 A. The first company I worked for out of
6 college was the Joseph & Friss & Company, and
7 that was from 1985 to 1989; and then I worked for
8 a company Faddalley, Inc., from 1989 to 1992.
9 Q. How do you spell Faddalley?
10 A. F-A-D-D-A-L-L-E-Y.
11 And then from there I worked for a

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12 company called Tropic Tex from 1992 to 1994; and
13 then from there I worked at a company called
14 Danielle Caron from 1994 to 1995; then I worked
15 for Miss Julie Apparel, from 1995 to 1996; and
16 then Boulevard Apparel Group from 1996 to 2001;
17 and then finally Private Label Sourcing, which
18 was formed in 2001.

19 Q. What did you do at Boulevard Apparel?

20 A. Sales, merchandising, and production.

21 Q. Tell me more about the business of
22 Boulevard Apparel.

23 A. It serviced the mass market group of
24 retailers. We were strictly Private Label, so
25 everything was cut to order. We would work with

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1 C. Dente

2 the retailer, develop the product, and then
3 ultimately ship it with the retailer's label in
4 the product.

5 Q. Where were goods manufactured for
6 Boulevard Apparel?

7 A. Worldwide.

8 Q. When you founded Private Label in 2001,
9 did you found it with anybody else?

10 A. Yes, Mr. Bruce Allen.

11 Q. What did Mr. Allen contribute in 2001
12 to the founding?

13 A. He handled the financial side of the

ATA 05 29 08
14 business, and I handled the sales, merchandising,
15 and production side.

16 Q. How did you come to know Mr. Allen?

17 A. We worked together both at Danielle
18 Caron and also at Boulevard Apparel Group.

19 Q. Tell me about the business of Private
20 Label in the first couple of years.

21 what did it sell?

22 A. What type of product did it sell?

23 Q. Yes.

24 A. Ladies apparel.

25 Q. Which manufacturers did it work with at

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1 C. Dente

2 that time?

3 A. Again, worldwide. We worked with
4 factories all around the world.

5 Q. Who did you sell to in those first
6 couple of years?

7 A. We sold to Target. We sold to
8 Wal-Mart. We did some business with Kmart.

9 Q. Were you 50-50 partners with Mr. Allen?

10 A. Yes, we were.

11 MR. GRANNIS: Off the record.

12 (Discussion off the record.)

13 Q. At a certain point in time, did Mr.
14 Allen come to sell his ownership in Private
15 Label?

16 A. Yes, he did.

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- 17 Q. When was that?
- 18 A. In January of 2006.
- 19 Q. How did that come about?
- 20 A. I'm not sure I know. I'm not sure I
- 21 understand the question.
- 22 Q. Did Mr. Allen tell you why he was
- 23 selling his interest?
- 24 A. The year prior to 2006, Mr. Allen had a
- 25 lot of health issues. He did not come to the

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- 1 C. Dente
- 2 office very often. I would say within the year
- 3 of 2005, he was there maybe collectively one
- 4 month, and I think just the stress of the
- 5 business. His health issues led him to make a
- 6 decision to pursue other interests.
- 7 Q. Is that what he told you about the
- 8 reason he was doing that?
- 9 A. Yes.
- 10 Q. Am I right that Jetwell Garments came
- 11 to own 50 percent of Private Label?
- 12 A. They purchased 50 percent of Mr.
- 13 Allen's shares, yes.
- 14 Q. Just to be clear, did they purchase all
- 15 of Mr. Allen's shares?
- 16 A. Yes, they did.
- 17 Q. Who owns Jetwell Garments?
- 18 A. Jockey Cheung.

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19 Q. Where does Mr. Cheung live?

20 A. Hong Kong.

21 Q. How did Mr. Allen become acquainted

22 with Mr. Cheung as a potential buyer?

23 A. We were doing business with a factory

24 based in Hong Kong called Well Success, and

25 Jockey was owners or partners. I'm not a hundred

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2 percent sure, because we didn't get involved in
3 the ownership of Well Success, but was a partner
4 in Well Success -- I don't know what percentage
5 -- and that's how we met him.

6 Q. Have you ever drawn a salary from
7 Private Label?

8 A. I'm paid by Private Label, yes.

9 Q. As an owner of Private Label, you have
10 received at times distributions arising from your
11 ownership interest; is that correct?

12 A. I drew a salary from Private Label.

13 Q. You drew a salary, and did you also
14 receive distributions from Private Label?

15 A. Which was considered part of our
16 salary.

17 Q. Did you ever receive a W-2 from Private
18 Label?

19 A. Yes, so all income was on the W-2.

20 Q. Is Private Label commercially active
21 today?

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- 22 A. Yes, it is.
- 23 Q. What approximately are the sales for
- 24 Private Label so far this year?
- 25 A. I would have to check on that for you.

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- 1 C. Dente
- 2 I don't know a full number.
- 3 Q. Could you say whether it was less or
- 4 more than a million dollars?
- 5 A. I would have to check for you.
- 6 Q. Do you know whether it's less or more
- 7 than \$5 million?
- 8 A. I would have to check for you.
- 9 Q. Do you know if it's less or more than
- 10 \$10 million?
- 11 A. I would have to check for you.
- 12 Q. Do you know if it's less or more than
- 13 \$100 million?
- 14 A. I would have to check for you.
- 15 Q. Do you know if it's less or more than a
- 16 billion dollars?
- 17 A. I would have to check for you.
- 18 Q. Just so I understand, your testimony
- 19 today is that you are unsure as to whether or not
- 20 you had more than a billion dollars of sales?
- 21 A. I'm unsure as to what the year-to-date
- 22 sales are.
- 23 Q. And you are unsure as whether or not

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24 they're more or less than a billion dollars?
25 A. I'm just answering your question that I

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1 C. Dente
2 would have to check for you as to what the total
3 sales were to date.
4 Q. My question was: Were they more or
5 less than a billion dollars? And you can't
6 answer that?
7 A. Less.
8 Q. Are they more or less than a hundred
9 million?
10 A. Less.
11 Q. Are they more or less than 10 million?
12 A. I would have to check for you.
13 Q. Are they more or less than a million?
14 A. I would have to check for you.
15 Q. So you couldn't state for certain that
16 they have had at least a million dollars in sales
17 so far this year?
18 A. I would have to check.
19 Q. What goods are you selling at Private
20 Label now?
21 A. Ladies' apparel.
22 Q. Where did you get those goods from?
23 A. Worldwide.
24 Q. Approximately how many manufacturers do
25 you have?

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2 A. We have a factory matrix of more than a
3 hundred factories. Whether we use all of them,
4 it depends. From time to time, depends on the
5 product.

6 Q. Can you name five among your top
7 manufacturers today?

8 A. For Private Label?

9 Q. Yes.

10 A. Well Success.

11 Q. Any others?

12 A. Well Success is the largest.

13 Q. Can you tell me others that are among
14 your top five?

15 A. Basul.

16 Q. Any others?

17 A. That's it.

18 Q. When you say that's it, what do you
19 mean? Because you mentioned before you had a
20 hundred factories that you could draw upon.

21 A. And I believe that you asked me who I
22 was doing the largest amount of business with
23 currently, so I...

24 Q. What would be after Well Success and
25 Basul?

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1 C. Dente

2 A. I would really have to check for you.
3 That's where our business is concentrated right
4 now.

5 Q. How much of your business would --
6 would you think it would represent more than half
7 of your business, those two companies?

8 A. Yes.

9 Q. What do you buy through Basul?

10 A. Ladies' apparel.

11 Q. Where is that ladies' apparel produced?

12 A. In Turkey.

13 Q. What companies produce that ladies'
14 apparel for Basul?

15 A. Are you asking me for specific factory
16 names?

17 Q. If you have them.

18 A. There's multiple factories. I would
19 have to -- there's multiple factories.

20 Q. How many employees does Private Label
21 have today?

22 A. Approximately nine.

23 Q. Can you tell me the names of those nine
24 employees of Private Label?

25 A. David Tally.

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1 C. Dente

2 Q. Would you spell Tally, please?
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3 A. T-A-L-L-Y. Mabel Kwan.

4 Q. Could you spell Kwan?

5 A. K-W-A-N. Shanny Guzman.

6 Q. How do you spell Shanny?

7 A. S-H-A-N-N-Y.

8 Q. Others?

9 A. George Montalbano, Stanley Waldon, Lisa
10 Burke, and that's it.

11 Q. I count six. You had mentioned nine.
12 Were there others?

13 A. Myself. I believe I said approximately
14 nine.

15 Q. So on further reflection, does it
16 appear there's seven, because you have given me
17 seven names?

18 A. Let me go through in my mind. Lisa
19 Burke, Shanny, David, Mabel, Stanley, George.
20 Yes.

21 Q. Do you know whether these are all
22 technically employees?

23 Do you know that there's a difference
24 between an employee and an independent
25 contractor?

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1 C. Dente

2 A. I'm not sure. Are you asking me from a
3 tax purpose from the way an employee is paid?

4 Q. Correct. Do you understand that?

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5 Do you understand that there's a
6 difference between an employee and an independent
7 contractor in terms of the way that's reported
8 for tax purposes?

9 A. I believe so.

10 Q. Do you happen to know whether or not
11 you report these individuals as being employees
12 of Private Label?

13 A. Yes.

14 Q. Or independent contractors?

15 A. Yes, we do.

16 Q. As employees?

17 A. Yes.

18 Q. How long has Mr. Tally been employed by
19 Private Label?

20 A. I would have to check the dates for all
21 the employees for you. I don't know that
22 information off the top of my head.

23 MR. GRANNIS: I'll ask that that information be
24 provided to us, since the witness does not have
25 it.

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1 C. Dente

2 THE WITNESS: I prefer not to guess.
3 If you're asking me for exact dates, I would
4 prefer to give you exact information. I
5 think it's important.

6 MR. GRANNIS: That's fine. I'm
7 amenable to that.

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- 8 Q. But these are current employees,
9 correct?
- 10 A. That's correct.
- 11 Q. Where are the offices of Private Label?
- 12 A. 597 Broadway.
- 13 Q. When was the company Second Skin
14 founded?
- 15 A. July of 2005.
- 16 Q. Who owns Second Skin?
- 17 A. Christine Dente.
- 18 Q. And that's you?
- 19 A. 100 percent. Yes, I do.
- 20 Q. What was it founded to do?
- 21 A. Specifically it didn't have one
22 specific purpose. At the time when it was
23 formed, I was consulting.
- 24 Q. Can you explain that?
- 25 A. Joining retailers with factories,

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- 1 C. Dente
- 2 helping them place production as a liaison.
- 3 Q. Is Second Skin still active?
- 4 A. Yes, it is.
- 5 Q. What does Second Skin do today?
- 6 A. The same.
- 7 Q. Does Second Skin have any employees?
- 8 A. Yes. One besides myself. Excuse me,
9 besides myself.

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10 Q. who is that?

11 A. Nilda Corchado.

12 Q. You are also an employee of Second

13 skin?

14 A. Yes, I am.

15 Q. What are some of the manufacturers that

16 Second Skin works with?

17 A. Synko, out of Korea.

18 Q. How do you spell that, please?

19 A. S-Y-N-K-O.

20 At one time it did work with Basul

21 through Atateks.

22 Q. Any others that it has worked with?

23 A. No.

24 Q. Just those two?

25 A. Yes.

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1 C. Dente 19

2 Q. Who was Second Skin paid by?

3 A. I'm not sure what the question is.

4 Q. Did Second Skin receive revenue?

5 A. Yes.

6 Q. You received money?

7 A. Yes.

8 Q. Who did you receive money from?

9 A. I'm still not clear about the question.

10 Q. Did you receive money from Synko?

11 A. What time period are we talking about?

12 I think the question's very general.

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13 Q. If I ask for all the money that -- all
14 the people that have ever paid money to Second
15 Skin, is that going to be a lot of entities?

16 MR. BYLER: Money for whatever reason?

17 MR. GRANNIS: Yes. I just wanted to
18 know the source of the revenue.

19 Q. Its sounds like you worked with two
20 companies, Synko and Basul. Maybe the answer is
21 you received your revenues from Synko and Basul
22 by providing services to them.

23 MR. BYLER: Just objection to form.
24 Revenues could have a narrow meaning or a
25 broad meaning, revenues in terms of the sale

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1 C. Dente
2 of product, revenues in the sense of any
3 kind of income that might include
4 commissions.

5 So you may want to clarify your
6 question.

7 Q. I would like to know in the broadest
8 sense possible where the money came from that
9 went into Second Skin.

10 A. Again, I would ask -- are we speaking
11 about commissions?

12 Q. I'm speaking about any type of money.

13 A. What time period are we talking about?

14 Q. From the beginning of the company to

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15 the present.

16 MR. BYLER: If you want to, you know,
17 answer in terms of time frame, go ahead, if
18 that helps you answer a general question
19 posed.

20 A. Okay. Communications were received
21 from Basul, or actually Atateks through Basul and
22 from Synko.

23 Q. Did Second Skin receive money from
24 anybody else?

25 A. Specific to commissions, that's who I

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C. Dente

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1
2 received money from.

3 Q. Not specific to commissions.

4 Did Second Skin receive money from
5 anybody else?

6 A. I'm not -- again, you would have to
7 clarify the time frame that you're talking about.

8 Q. I can be clear. From the beginning --

9 A. Okay.

10 Q. -- when the company was formed to
11 today. In other words, to use a simple term --

12 A. Yes.

13 Q. -- ever. Is that clear now?

14 A. Yes, it's clear.

15 Q. Can you answer the question now?

16 MR. BYLER: Objection to form. Go
17 ahead.

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- 18 A. I also received money from Target.
19 Q. When you say I, you mean Second Skin?
20 A. Correct. That's what you did ask that
21 question, correct?
22 Q. What did Target pay that money for?
23 A. Goods.
24 Q. Goods manufactured by whom?
25 A. Again, multiple factories.

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- 1 C. Dente
2 Q. Can you name a few?
3 A. Through Synko.
4 Q. Did Second Skin receive any money for
5 goods manufactured by Atateks?
6 A. Say the question one more time, please?
7 Q. Did Second Skin receive --
8 A. No.
9 Q. Receive any money?
10 A. No.
11 Q. Let me finish.
12 A. Okay.
13 Q. Did Second Skin receive any money from
14 Target in any way related to goods manufactured
15 by Atateks?
16 A. Absolutely not.
17 The time I was doing business with
18 Atateks from 2002 through 2006 Second Skin was
19 not actively doing any business with Target

20 ATA 05 29 08
manufacturing any goods.

21 Q. What time frame was it that Second Skin
22 received money from Target?

23 A. Not until starting 2007.

24 Q. Did Private Label do business with
25 Synko in 2007?

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1 C. Dente 23

2 A. Yes, under different product
3 categories.

4 Q. Can you explain to me what you mean by
5 different product categories?

6 A. Different items.

7 Are you asking for crossover between
8 Private Label and Second Skin?

9 Q. Yes.

10 A. No, totally different product
11 categories.

12 Q. Let me ask you this: Was there any
13 reason why this consulting work that -- phrase it
14 differently.

15 Was there any reason why the business
16 that Second Skin was doing would not have been
17 done by Private Label?

18 A. It was different product categories.
19 It was different businesses that I was pursuing.

20 Q. Can you explain what you mean by
21 different product categories?

22 A. Well, I guess two. I am the business.
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23 My business relationships really generate the
24 business, and what I was pursuing in Second Skin
25 was different than what was being done in Private

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1 C. Dente 24

2 Label.

3 Q. How was it different?

4 A. Different product categories, different
5 types of product, different fabrics, different
6 styles.

7 Q. The commissions that you earned from
8 Atateks were with respect to the same goods that
9 were being sold to Private Label, right?

10 A. I'm sorry. Say the question again?

11 Q. The commission that you say you earned
12 from Atateks were from the same goods that
13 Atateks was selling to Private Label, right?

14 A. Atateks supplied us with seamless
15 product, which is a very specialized product
16 that's made on Santoni machines. That business
17 was never done with Second Skin.

18 Second Skin never bought from Atateks,
19 never sold to Target any type of seamless
20 product.

21 Q. You referred earlier, you recall, to
22 earning certain commissions paid by Basul where
23 the money was originally received from Atateks,
24 right?

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25 A. Correct.

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1 C. Dente

2 Q. Let me put it more simply.

3 You received certain commissions from
4 Atateks through Basul?

5 A. That's correct.

6 Q. What were those commissions for?

7 A. Seamless product.

8 Q. That seamless product you're referring
9 to, wasn't that the same seamless product that
10 Private Label was purchasing?

11 A. It was not purchased by Second Skin.
12 It was purchased by Private Label. Second Skin
13 was acting as a consultant.

14 Q. I understand that Private Label was
15 buying the merchandise, and Second Skin was not,
16 but when you refer to commissions earned on
17 seamless garments that Second Skin was earning,
18 these were the same seamless garments that
19 Private Label was buying, right?

20 A. Commission was only paid on product
21 that was shipped, sold and shipped, so
22 commissions were -- were satisfied.

23 I'm not sure where you're going with
24 the question, but one company was buying product,
25 Private Label, and the other company was acting

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1 C. Dente

2 as a consultant, as a liaison.

3 Q. But it was consulting with respect to
4 the same product?

5 A. With seamless product.

6 MR. BYLER: Objection to the form of
7 the question. It was a little confusing.
8 Try to rephrase it.

9 Q. Second Skin was earning certain
10 commissions with respect to consulting done in
11 relationship to certain seamless products; is
12 that fair?

13 A. Correct.

14 Q. Those seamless products were the same
15 products that Private Label was buying, correct?

16 A. I'm going to answer the question this
17 way, because you have asked it several different
18 ways.

19 There was no product ever purchased by
20 Second Skin. There are no purchase orders. What
21 was paid to Second Skin by Atateks was payments
22 for commissions.

23 MR. GRANNIS: Could we go off the
24 record for a second.

25 (Discussion off the record.)

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C. Dente

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Q. When did Second Skin earn commissions from Atateks? What year?

A. Well, Second Skin wasn't formed until July of 2005, so between the year of 2005 when it was formed through 2006.

Q. What did Second Skin earn those commissions for?

A. I'll state again that I was paid commission for goods that were manufactured and sold to Private Label.

Q. Thank you.

Is there a reason why those services that you were offering through Second Skin could not have been offered through Private Label?

A. I set up Second Skin as a consulting company, as a commissioned -- as a consulting commission based company for multiple relationships, not just for the business that was being done through Atateks.

Q. With respect to the business done through Atateks, could that service have been offered through Private Label?

A. That's not what Private Label was set up to do.

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C. Dente

Q. Was Second Skin profitable in 2005?

A. Yes, it was.

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4 Q. Do you have any idea of how much money
5 it made?

6 A. I don't know. I would have to check
7 for you.

8 MR. GRANNIS: I'll ask that that be checked.

9 Q. Do you know if it was profitable in
10 2006?

11 A. Yes, it was.

12 Q. Do you know how much?

13 A. I would have to check for you.

14 MR. GRANNIS: I'll ask that that information be
15 obtained.

16 Q. Do you know if it was profitable in
17 2007?

18 A. We haven't filed a tax return yet,
19 so...

20 Q. Do you know whether it was profitable,
21 though?

22 A. To the best of my knowledge, it will
23 be.

24 MR. GRANNIS: Off the record.

25 (Discussion off the record.)

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1 C. Dente

2 Q. Let's go back to Private Label.

3 What types of services -- Private Label
4 earned money with respect to its business with
5 Atateks; is that correct?

ATA 05 29 08

6 A. Yes.

7 Q. How did it earn money?

8 A. We received orders from Target and
9 other retailers, but specific to Target we
10 received orders from Target.

11 Atateks manufactured them. We shipped
12 them to Target with a markup.

13 Q. Is it fair to say that you generally
14 tried to buy the goods for a certain amount from
15 Atateks and then sell them for somewhat more to
16 Target?

17 A. That's correct.

18 Q. And was there a set amount of the
19 markup?

20 A. No.

21 Q. And how was the markup determined?

22 A. It was really done on a case by case
23 basis, depending open the quantity, the time
24 period that we would be shipping to Target.

25 You know, it really depended on

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1 C. Dente

2 negotiations on both sides. There's not one
3 specific formula.

4 Q. Can you give me in just an order of
5 magnitude -- I'm not trying to pin you down to a
6 particular number -- whether or not the -- you
7 tended to mark things up 1 percent, 10 percent,
8 50 percent? Some general range.

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9 A. We tried to make anywhere between 8 to
10 10 percent, and that's for larger business that
11 were manufacturing.

12 Q. Is it fair to say that you feel that
13 Private Label provided services which merited
14 earning 8 to 10 percent on these goods?

15 A. Absolutely.

16 Q. Can you tell me what types of services
17 did Private Label provide to Atateks or what did
18 Atateks -- what did Private Label do in this
19 process of buying and selling goods?

20 A. I just want to be clear about your
21 question, because you referenced in the beginning
22 of your question -- if it could be read back to
23 me -- what services did Private Label provide to
24 Atateks.

25 Q. Right.

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1 C. Dente

2 A. So --

3 Q. Let me --

4 A. I'm not clear as to what really you're
5 asking.

6 MR. GRANNIS: Let me withdraw --

7 MR. BYLER: You gave one question,
8 which I thought was confusing, and that's
9 why she asked, and then you rephrased it, I
10 thought in a better way.

11 ATA 05 29 08
why don't you start all over again.

12 MR. GRANNIS: Exactly.

13 Q. I did recognize and also from your
14 facial expression that the question may not have
15 been a good one.

16 In the course of buying goods from
17 Atateks and selling them to Target, Private Label
18 did some work; is that fair to say?

19 A. Yes.

20 Q. Tell me what Private Label did.

21 A. We met with Target. We developed the
22 product. We had Atateks make samples. There was
23 an approval process, and we helped facilitate
24 getting the products shipped.

25 Q. Did you provide or did you arrange for

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1 C. Dente

2 any type of inspection of goods?

3 A. Target inspected the goods. Target
4 signs the inspection certificates.

5 Q. When does it inspect the goods?

6 A. At the FOB point overseas.

7 Q. Is it a Target employee that does that?

8 A. It is an independent agency that is
9 contracted by Target.

10 Q. who is that?

11 A. It's part of TSS Services, which is
12 Target Sourcing Services.

13 Q. Did Basul ever inspect the goods?

ATA 05 29 08

14 A. There were dual inspections, both Basul
15 and Target.

16 Q. Did you ever pay Basul to inspect
17 goods?

18 A. Basul was paid a commission for their
19 services of working with Atateks in Turkey, since
20 we weren't present in Turkey, but they weren't
21 paid specifically, if you're asking me, just to
22 inspect goods.

23 Q. Who was the commission paid by?

24 A. It was included in the price of the
25 garment, and it was paid by Atateks.

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1 C. Dente

2 Q. Let me ask you this: why would Atateks
3 pay someone to inspect its own goods?

4 A. I didn't say they paid them to inspect
5 goods. I said they were paid a commission.

6 I specifically said that what you were
7 referencing did not include just inspection of
8 goods. It included a range of services.

9 Q. What was the range of services?

10 A. I think I had described it previously.
11 Are you asking my services or Basul?

12 Q. I thought you said Basul.

13 A. You would have to speak to Basul
14 exactly to find out the scope of their services.

15 Q. What do you know about the scope of

ATA 05 29 08

16 their services?

17 A. I can speak to the scope of their
18 services for us, but not for Atateks.

19 Q. You said earlier that Basul was not
20 only paid to inspect goods to Atateks, but also
21 for a scope of services.

22 A. I don't know what those exact scope of
23 services are.

24 Q. How do you know there was a scope of
25 services if you don't know what they are?

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1 C. Dente

2 A. Because they did things other than
3 inspect goods.

4 Q. How do you know they did things other
5 than inspect goods for Atateks?

6 A. Because we had daily communications
7 with them. They were the liaison between
8 ourselves and Atateks, so there were obviously
9 other -- there were other services being
10 performed.

11 Q. I want to make sure that I understand
12 precisely what Private Label was doing, so I want
13 to go through the different things that you
14 referred to briefly.

15 I think you mentioned something about
16 developing goods. Do I have that term correctly?

17 A. Developing product.

18 Q. Can you tell me what that means?

ATA 05 29 08

19 A. Product development.

20 Q. And just could you -- I don't know much
21 in the fashion business.

22 Can you tell me what was involved in
23 doing that?

24 A. Developing different garments,
25 different styles.

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1 C. Dente

2 Q. Would you design them? What does that
3 mean, developing?

4 A. Both shopping the marketplace and also
5 extracting specific, you know, details and
6 creating garments. Yes, it's a product
7 development. It's a product of shopping and
8 designing.

9 Q. Would that also involve, for example,
10 saying to Target here is a manufacturer who could
11 manufacture this garment you're looking for?

12 A. No. It was the responsibility of
13 Private Label to source the product wherever they
14 felt it was best to be sourced.

15 Q. So in other words, is it fair to say
16 that once it had -- you had figured out that
17 Target wanted to produce -- would want to buy a
18 certain garment, you would then figure out what
19 manufacturer could produce that garment?

20 A. I believe I stated earlier in my

ATA 05 29 08

21 testimony that we had a list of over a hundred
22 factories that we potentially do business with,
23 so in order to get competitive pricing, we source
24 our things worldwide, and we decide ultimately,
25 you know, within the proper time frame where the

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C. Dente

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2 product's going to be manufactured.

3 Q. You referred also to producing product.
4 what did you mean by that?

5 I thought you said earlier that one of
6 the things that -- maybe you said producing
7 samples.

8 A. I did.

9 Q. Producing samples, tell me about that.

10 A. I'm not sure what you want to know
11 about that.

12 Q. Who would produce these samples?

13 A. Again, we would get samples from
14 multiple factories.

15 Q. The factories who produced these
16 samples, what would you do with them?

17 A. Review them, determine what we felt
18 was -- was the best fit for the order.

19 Q. Tell me about the approval process.

20 A. The approval process included both
21 ourselves and Target. Target had to sign off on
22 the fit, colors.

23 Q. Tell me about product shipment.

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- 24 A. I'm not sure what you want to know.
25 Q. Just expand. You used two words. You

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- 1 C. Dente
2 have to do product shipment. What was the word?
3 A. We helped facilitate product being
4 shipped.
5 Q. What does that mean by facilitating?
6 A. When the product was ready to be
7 shipped, we helped facilitate whether it was on a
8 direct LC basis, Target opening the LC to us,
9 delivering it to the forwarder in conjunction
10 with the factory or the goods being brought into
11 our warehouse, which we used our own forwarder.
12 Q. In some cases, Target purchased goods
13 directly from Atateks on a letter of credit
14 basis; is that correct?
15 A. That is correct.
16 Q. And other cases Private Label purchased
17 goods from Atateks and sold them to Target; is
18 that correct?
19 A. That is correct.
20 Q. If Private Label was an intermediate
21 purchaser of the goods, did that affect the work
22 that Private Label had to do?
23 A. No.
24 Q. Did Second Skin provide services to
25 Atateks to earn these commissions?

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1 C. Dente

2 A. They were the liaison.

3 Q. Who was Second Skin the liaison with or
4 between?

5 A. I'm not sure what the question is.

6 Q. You said that Second Skin was liaison.

7 A. Okay.

8 Q. Do you understand that being a liaison
9 means you're a liaison between two people or two
10 companies or something like that?

11 A. Yes.

12 Q. Who was the Second Skin liaising
13 between?

14 A. Let me rephrase that.

15 It was my relationship with Atateks,
16 okay, that was established a long time ago with,
17 again, multiple factories around the world, and
18 when I was able to generate business for them,
19 even when it was manufactured by Private Label,
20 there was a commission that was paid to Second
21 Skin, but Second Skin was not buying product.

22 Q. Did you do any work to earn that
23 commission?

24 A. My commission was based on my
25 relationships.

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1 C. Dente

2 Q. So does that mean you didn't do any
3 work?

4 A. The work or the relationships that I
5 established in order to earn the commission. It
6 was a consulting based company that earned
7 commission.

8 Q. Can you describe any actual work you
9 did to earn those commissions?

10 MR. BYLER: Objection to form. Go
11 ahead.

12 A. It was my relationship that ultimately
13 led to orders being placed there.

14 Q. This was a relationship with Atateks;
15 is that correct?

16 A. If that's what you were referencing.
17 Are you referencing Atateks specifically?

18 Q. I'm talking about the commissions paid
19 by Atateks, and you're saying you were being paid
20 for your relationship.

21 When you refer to your relationship,
22 are you referring to your relationship with
23 Atateks?

24 A. Yes, I am.

25 Q. Can you tell me -- when did you develop

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1 C. Dente

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2 that relationship?

3 A. In 2002, we started doing business with
4 Atateks.

5 Q. Through Private Label?

6 A. Yes.

7 Q. Did you develop this relationship with
8 Atateks in the course of doing work for Private
9 Label?

10 A. Could you repeat the question one more
11 time? Could she read it back to me?

12 MR. GRANNIS: Sure.

13 (Question read.)

14 A. I had developed a relationship with
15 Atateks even prior to them placing any business
16 with Private Label.

17 Q. When did you develop that relationship
18 with Atateks?

19 A. We had come in contact with each other,
20 I believe, back in 2000, 2001, but we didn't
21 start doing business at Private Label until 2002.

22 Q. So are you amending your earlier answer
23 that you developed a relationship in 2002?

24 A. I would have to read -- I would have to
25 have my testimony read back to me.

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1 C. Dente

2 MR. GRANNIS: Could you read it back?

3 (Record read.)

4 Q. So you are changing your answer that
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5 you developed a relationship in 2002?

6 A. Private Label developed a manufacturing
7 relationship during 2002, and I believe when you
8 did ask me the question, you did ask me to
9 clarify if I meant myself or Private Label.

10 May I say something?

11 Q. Sure.

12 A. I feel that if you want to ask me a
13 question you should ask me a direct question,
14 because you're asking the same question five
15 different ways, and it's very confusing, so I
16 just would like to state that for the record.

17 Q. Sure.

18 Was Second Skin formed to work with
19 manufacturers all over the world? Is that your
20 testimony?

21 A. Yes.

22 Q. Do you recognize that document?

23 A. Yes.

24 MR. BYLER: Let me state for the
25 record, this is a declaration in the C&C

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1 C. Dente
2 Textile Company Limited versus Private Label
3 Sourcing, et al, case that was filed in the
4 Central District of California, and keep in
5 mind there were allegations in the complaint
6 in that case that were the concern of

7 ATA 05 29 08
8 dealing with issues in that case that came
9 up in the course of the declaration of
Christine Dente.

10 I also will add for the record the case
11 was dismissed for lack of jurisdiction.

12 Q. Ms. Dente, is that your signature on
13 the last page?

14 A. Yes, it is.

15 Q. And did you review this declaration
16 before you signed it?

17 A. Yes, I did.

18 Q. I'll direct your attention to Paragraph
19 7. You state there, "I formed Second Skin LLC as
20 a separate entity to undertake entirely different
21 business than PLSL."

22 MR. GRANNIS: Let the record reflect
23 that PLSL is defined earlier as Private
24 Label.

25 Q. Quote, Second Skin was formed to work

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1 C. Dente
2 with international manufacturers in Turkey
3 specializing in seamless apparel.

4 Is that statement true?

5 A. Yes.

6 Q. Was it formed to work with
7 international manufacturers in Turkey or
8 transformed to work with manufacturers worldwide?

9 A. Worldwide. I believe that was

ATA 05 29 08

10 answering specific as Phil stated to the
11 complaint that was...

12 Q. Which international manufacturers in
13 Turkey is that referring to?

14 A. Atateks and Orma.

15 Q. Did it, in fact, work with Orma?

16 A. Yes, it did.

17 Q. Did it earn commissions from Orma?

18 A. Yes, it did.

19 Q. Are you amending your earlier answer
20 that the only entities that Second Skin earned
21 commissions from were Synko and Atateks through
22 Basul?

23 A. I believe you were specifically
24 referring to Atateks at that point.

25 Q. But in your deposition earlier today,

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1 C. Dente

2 you told me that there were two entities that
3 Second Skin earned commissions from. You said it
4 was Atateks through Basul, and you said it was
5 Synko.

6 A. I believe I started with Basul, and we
7 were speaking specifically to Atateks, so I also
8 received through Basul commissions from Orma.

9 Q. Are there any other entities that you
10 received commissions from through Basul, other
11 than Atateks and Orma?

ATA 05 29 08

12

A. No, no.

13

MR. BYLER: Just for the record, don't

14

jump to conclusions about amending or

15

changing testimony. I think hearing the

16

testimony -- I think at times it in the

17

testimony comes down to being specific in

18

ways and a matter of clarification as

19

opposed to change or amend, and this was one

20

last instance where some further detail, I

21

think, clarified and made more specific the

22

information being provided.

23

MR. GRANNIS: Fortunately, a judge will

24

help us determine that at some point.

25

Q. What did Orma pay commissions to Second

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C. Dente

2

skin for?

3

A. Apparel that was being shipped.

4

Q. Did Private Label purchase that

5

apparel?

6

A. Yes, it did.

7

Q. What did Second Skin receive

8

commissions from Synko for?

9

A. Ladies' apparel.

10

Q. Was that ladies' apparel sold to

11

Private Label?

12

A. Yes, it was.

13

Q. What amount of commissions did Second

14

skin earn from Synko?

ATA 05 29 08

15 A. I would have to look back and tell you.

16 MR. GRANNIS: I'll ask that that be looked into
17 and the answer provided.

18 Q. What amount of commissions did Second
19 Skin earn from Orma?

20 A. I would have to look into that also.

21 MR. GRANNIS: I'll ask that you do so and provide
22 it.

23 Q. Would Private Label sometimes issue
24 chargebacks to Atateks?

25 A. Yes.

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1 C. Dente

2 Q. Did Atateks ever object to a
3 chargeback?

4 A. Prior to debit notes being written all
5 chargebacks were negotiated and agreed upon.

6 whether at the time Atateks received
7 them and decided they no longer wanted to pay
8 them was a different story, but debit notes were
9 not written until negotiations were done and
10 chargebacks were agreed upon.

11 Q. How were those negotiations done?

12 A. Through Basul, as Basul was the liaison
13 between ourselves and Atateks, and through their
14 representative, Bahar.

15 Q. Were they generally done orally or by
16 e-mail?

ATA 05 29 08

17 A. E-mail.

18 There were several occasions, though,
19 where there were one-on-one meetings to discuss
20 them, especially if they were larger.

21 Q. Can you describe these negotiations?

22 A. I'm not sure what the question is.

23 Q. I take it -- is it fair to say that
24 sometimes Private Label would indicate that it
25 wanted to issue a chargeback in a certain amount;

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1 C. Dente

2 is that correct?

3 A. The chargebacks were generated directly
4 from the customer, so the chargebacks came from
5 Target.

6 Q. Right.

7 A. Does that answer your question?

8 In other words, Private Label did not
9 just generate a chargeback.

10 Q. I understand.

11 A. Okay.

12 Q. Let's say I'm just going to try to take
13 a hypothetical figure in order to make it more
14 concrete.

15 A. Okay.

16 Q. Let's say that you get a chargeback
17 from Target for \$10,000.

18 A. Okay.

19 Q. Then at least on some occasions you

ATA 05 29 08

20 would at that point go to Atateks and say, you
21 should be liable for this chargeback of \$10,000
22 from Target; is that correct?

23 A. Just to educate you, in case your
24 client didn't, that we knew about chargebacks
25 prior to them being issued by Target, so it was

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1 C. Dente

2 negotiated on a case-by-case basis, and obviously
3 when chargebacks were generated, it was by the
4 fault of something that the factory had done.
5 There's numerous reasons why chargebacks can be
6 generated.

7 There were times that we chose to
8 partner and help Atateks so they did not have to
9 absorb the chargeback by themselves, but again,
10 that was negotiated on a case-by-case basis, and
11 chargebacks were not arbitrarily issued. They
12 were spoken about in advance as a debit note was
13 issued.

14 Q. Was it ever in part the fault of
15 Private Label that a chargeback occurred?

16 A. Not to my knowledge.

17 Q. What are the reasons a chargeback can
18 occur?

19 A. There could be quality claims, there
20 could be late shipments, cancellations, loss of
21 sales. To name a few.

ATA 05 29 08

22 Q. Does Private Label play a role in
23 coordinating the ordering and shipment of goods
24 to assure that they arrive on time?

25 A. Private Label takes the information

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1 C. Dente

2 that's given to them by Target and then passes
3 that information along to the factories.

4 Everything is made to order, so we get
5 our direction directly from the retailer.

6 Q. After Target places a purchase order,
7 was there ever a case in which Atateks might
8 require additional information to complete
9 manufacturing the goods?

10 A. I think previous in our testimony in
11 questions that you asked me, you asked me about
12 an approval process, so obviously those approvals
13 are not located on a purchase order sheet.

14 Purchase order sheet indicates
15 quantities, other details, labels that are
16 required, but the approval process happens in
17 spite of the purchase order that's issued, so if
18 that's what you're asking me...

19 Q. Does the approval process always occur
20 prior to the purchase order issuing?

21 A. Not necessarily. It's work in
22 progress.

23 Q. So there could be some additional
24 details transmitted after the purchase order

ATA 05 29 08

25 which are necessary to manufacture the goods?

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1 C. Dente

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2 A. That is correct.

3 Q. At least in theory, if Private Label
4 were to drop the ball and not convey certain
5 information to Atateks, then Atateks couldn't
6 manufacture the goods on time?

7 MR. BYLER: Objection to form. Go
8 ahead.

9 A. We would be reliant on information
10 coming from Atateks to submit to Target to
11 manufacture that product, so if Atateks didn't
12 supply that information on time, we couldn't get
13 it to Target on time, and therefore, the ball
14 would be dropped on the Atateks side.

15 They have to stay within a time and
16 action calendar. There were many times that
17 Atateks fell outside of that time and action
18 calendar which impacted them producing product.

19 Q. Would you agree that if Private Label
20 were a poorly-run, negligent operation -- and I'm
21 not asking you to say it is. I'm saying if it
22 were the case -- wouldn't that potentially impact
23 on getting these goods manufactured on time?

24 A. I can't comment.

25 MR. BYLER: Objection to form.

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1 C. Dente

2 Hypothetical to a fact witness. Go ahead.

3 A. I can't comment on that, because I'm
4 not sure what a negligently run company would do.

5 Q. How many chargebacks were there in
6 rough terms over the course of the years of
7 relationship that you had with Atateks?

8 A. I think that's a very specific
9 question, even though you said roughly. We
10 manufactured millions of units with Atateks.

11 Q. Right.

12 A. It would be unfair for me to guess at
13 that.

14 Q. Is it your testimony that with respect
15 to the chargebacks issued with respect to the
16 millions of goods --

17 A. Uh-huh.

18 Q. -- that Private Label never did
19 anything that contributed even in part to a
20 chargeback?

21 A. I really think that's a very unfair
22 statement. I think that, you know, a working
23 relationship, there's partnership, there's all
24 parties involved.

25 I think I testified that there were

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1 C. Dente

2 times that we chose to partner with Atateks to
3 contribute to those chargebacks so not one party
4 had to absorb anything. So I think that what we
5 do is a human business. There's always issues.

6 If you're asking me to pinpoint
7 collectively whose fault it is, I think that's --
8 I just -- it's -- it's unfair for me. I think we
9 would have to go case by case.

10 Q. So are you saying that --

11 A. I can't answer that question generally.
12 I would have to answer on a case-by-case basis.

13 If you gave me a purchase order, you
14 gave me a chargeback, and you asked me based on
15 that situation whose fault it was, I would then
16 be able to answer you.

17 Q. You testified earlier that in some
18 cases you, meaning Private Label, shared in the
19 chargeback.

20 A. That's correct.

21 Q. Meaning that effectively Atateks paid
22 part of the chargeback and Private Label paid
23 part of the charge?

24 A. That is correct.

25 Q. When you made that determination about

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1 C. Dente

2 whether or not you would -- you meaning Private

ATA 05 29 08

3 Label would share in the chargeback, did you ever
4 consider whether or not Private Label might have
5 had some responsibility for the issuance of the
6 chargeback?

7 A. I considered the whole situation. I
8 didn't just consider Private Label.

9 Q. Was that a consideration, whether or
10 not Private Label might have some fault?

11 A. I considered the whole business
12 relationship and I -- I considered it on a
13 case-by-case basis, depending on the situation.

14 Q. When you say you considered it, the
15 whole business relationship, did that include
16 whether or not Private Label might have had some
17 fault or did it exclude that fact?

18 A. It included all the circumstances at
19 hand.

20 Q. And was one of those circumstances
21 whether or not Private Label had any fault?

22 A. It really depended on the situation.

23 Q. So you are unwilling to tell me whether
24 or not a fault by Private Label was one of those
25 circumstances?

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1 C. Dente

2 MR. BYLER: Objection to form.

3 A. No.

4 Q. Can you tell me then whether that was a
5 circumstance you considered?

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6 A. I think I did answer the question for
7 you. I answered that we had an ongoing,
8 long-term business relationship, and I considered
9 the situation fairly, all parties being included.

10 Q. Let me ask you one more time, and
11 you'll tell me whether or not you can answer this
12 yes or no.

13 When you consider all the circumstances
14 in determining whether or not Private Label would
15 share in the chargeback, did you consider as one
16 of those circumstances whether or not Private
17 Label might have been in part to blame for the
18 chargeback?

19 MR. BYLER: Objection to the form.
20 Asked and answered. Ambiguous wording. Try
21 to do something with that.

22 Q. Can you answer that yes or no?

23 A. I believe I did answer the question.

24 Q. I'd like you to, but you didn't answer
25 with a yes or no. Can you answer it with a yes

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1 C. Dente
2 or no?

3 A. No, I can't.

4 MR. BYLER: We are going for an hour
5 and 25 minutes. I mean --

6 MR. GRANNIS: I'm happy to take a
7 break. Off the record.

55

8 ATA 05 29 08
(Recess taken.)

9 EXAMINATION CONTINUED

10 BY MR. GRANNIS:

11 Q. I'm going to show you what's been
12 marked as Plaintiff's Exhibit 502.

13 (Plaintiffs' Exhibit 501, Declaration,
14 marked for identification.)

15 (Plaintiffs' Exhibit 502, Commercial
16 Invoice, marked for identification.)

17 MR. GRANNIS: I'm going to note for the
18 record that I previously questioned Ms.
19 Dente about a declaration in another action,
20 and I failed to note at that time that the
21 document had been marked as Plaintiffs'
22 Exhibit 501, and so I'm doing so now for the
23 record, and now I am handing Ms. Dente a
24 document Plaintiffs' Exhibit 502, which
25 states commercial invoice at the top.

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1 C. Dente

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2 Q. And I will ask, Ms. Dente, if you
3 recognize this document.

4 A. Yes, I do.

5 Q. What is that?

6 A. It's a piece of paper that's included
7 in all of the commercial documents when goods are
8 exported from a country.

9 Q. Is there a style number on this
10 document?

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11 A. Yes.

12 Q. What is that style number?

13 A. 135. I can't see if it says 809 or
14 609. I apologize. It's not clear on the copy.

15 Q. Who signed that style number? Let me
16 clarify the question. Is that a Target style
17 number?

18 A. It's recognized by both Private Label
19 and by Target.

20 Q. This shows us, am I right, that Atateks
21 manufactured goods with that style number for
22 sale to Target; is that correct?

23 A. Yes, consigned to Private Label.

24 Q. Do you know whether Private Label
25 arranged for any other manufacturers, other than

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1 C. Dente

2 Atateks, to make that style number for Target?

3 A. I would have to check.

4 Q. In general, were there any cases in
5 which you, Private Label, had another
6 manufacturer in addition to Atateks make a
7 certain style number for Target?

8 A. I would have to check. I would have to
9 go back on a case-by-case basis. We manufacture
10 lots of different styles.

11 MR. GRANNIS: I'm going to hand the
12 witness Plaintiffs' Exhibit 503, which

ATA 05 29 08
13 states, "Debit Note 1580" at the top.
14 (Plaintiffs' Exhibit 503, Debit Note
15 1580, marked for identification.)
16 Q. Do you recognize this document, Ms.
17 Dente?
18 A. Yes, I do.
19 Q. What is it?
20 A. It's a debit note.
21 Q. Can you explain what a debit note is?
22 A. It is debiting back to a specific
23 factory moneys that are owed to Private Label for
24 various different reasons.
25 Q. Who is being debited here?

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1 C. Dente 58
2 A. Atateks.
3 Q. You see a reference on the first page
4 to customer allowances?
5 A. Yes.
6 Q. Can you explain what that refers to?
7 A. Yes, that's the difference between the
8 actual FOB and the sell price to Target.
9 Q. What's the actual FOB?
10 A. The actual price paid to Atateks for
11 the manufacturing of the goods.
12 Q. Was this actual amount paid by Target?
13 A. Rephrase the question. Which actual
14 amount?
15 Q. You said that the FOB --
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16 A. Yes.

17 Q. -- was the actual price paid to
18 Atateks.

19 A. Correct. Maybe I should explain
20 customer allowance to you. Maybe --

21 Q. Please.

22 A. So there's a style that's manufactured
23 for Target. There was an agreed upon sell price
24 between Private Label and Target. A letter of
25 credit is opened by Target to Basul, transferred

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1 C. Dente

2 to Atateks.

3 In there is a customer allowance.

4 There is a difference between the FOB price that
5 we're going to be paying the factory, Atateks,
6 and the actual sell price to Target.

7 Upon shipping the goods, the commercial
8 invoices are presented to the bank. Atateks is
9 able to draw down on the LC. Once they receive
10 those funds, they remit the difference between
11 the FOB and the actual sell price to Target.
12 That is the customer allowance.

13 Q. If you turn to the second page with
14 respect to Style 121375.

15 A. Yes.

16 Q. I'm going to try to explain, because
17 this is new to me, and you can see if you think I

ATA 05 29 08

18 have it right.

19 A. Okay.

20 Q. Private Label agreed that Atateks would
21 be paid \$4.30 per unit for that style?

22 A. Correct.

23 Q. Target paid by letter of credit 4.50
24 per unit for that style.

25 A. Correct.

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1 C. Dente

2 Q. The allowance is the 20 cents
3 difference between 4.50 and 4.30?

4 A. Correct.

5 Q. And Private Label was entitled to that
6 difference?

7 A. Correct.

8 Q. So with respect to this debit note and
9 the goods reflected in this debit note, Private
10 Label earned \$61,722,51, which is reflected on
11 the first page.

12 A. That is not correct, because there's
13 also a charge on here for QC charges. That was
14 not money that was made by Private Label that was
15 collected by Target, so you would have to back
16 out your QC charges.

17 Q. Fair enough.

18 With respect to this debit note and
19 with respect to these goods, Private Label earned
20 \$55,479.70?

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- 21 A. That was the customer allowance, yes.
- 22 Q. Did Private Label earn any other money
- 23 with respect to these goods?
- 24 A. Yes. They bill Target 8 percent.
- 25 Q. Turning to the second page again.

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- 1 C. Dente
- 2 So at some point you entered into a
- 3 deal with Atateks that Atateks would be paid
- 4 \$4.30 a unit for that style number?
- 5 A. Purchase orders were issued. Our
- 6 business is done on purchase orders, purchase
- 7 order basis. There are no contracts. There are
- 8 no deals. Everything is cut to order. We issue
- 9 purchase orders.
- 10 Q. At the time that you would issue this
- 11 purchase order, would you tell Atateks how much
- 12 Target was going to be paying for the garment?
- 13 A. Yes, there was a rider that was
- 14 attached to the purchase order.
- 15 Q. It would state in this case that Target
- 16 was going to be paid 4.50 per unit?
- 17 A. Correct, correct. You also have to
- 18 acknowledge that the LC was open to Basul and
- 19 transferred to Atateks, so Atateks was always in
- 20 full control of all the money. The money did not
- 21 pass through Private Label.
- 22 Q. The 8 percent you were referring to,

ATA 05 29 08

23 was that the 8 percent of the FOB or the LC
24 price?

25 A. Of the LC price.

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1 C. Dente

2 Q. When did Nilda start working for Second
3 Skin?

4 A. I would have to check the exact date.
5 I don't know off the top of my head.

6 Q. Can you give me something approximate?

7 A. Within the past year.

8 Q. So that means you believe sometime
9 since June of 2007?

10 A. Correct.

11 Q. When did she stop working for Private
12 Label?

13 A. It would have been at the same time.

14 Q. Prior to Nilda working for Second Skin,
15 did anybody assist you with respect to your work
16 for Second Skin?

17 A. No.

18 Q. Where is Second Skin located?

19 A. The physical address when the company
20 was registered was 935 Sedgewick Court,
21 Westfield, New Jersey 07090.

22 Q. Where has the business of Second Skin
23 been conducted?

24 A. Well, because it's a consulting based
25 business, and I am really the business, business
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1 C. Dente

2 can be done anywhere.

3 Q. Does Second Skin own any equipment?

4 A. No.

5 Q. Does it have any phone lines?

6 A. Yes.

7 Q. What phone line is that?

8 A. That's my cell phone.

9 Q. What about Nilda? Is there a phone for
10 Nilda?

11 A. Are you asking is there a phone line
12 specifically registered to Second Skin or in the
13 name of Second Skin?

14 Q. Correct.

15 A. No.

16 Q. Does Nilda use a computer?

17 A. She uses a laptop.

18 Q. Who is that computer owned by?

19 A. She has more than one laptop, so she
20 works from home from the laptop. She works from
21 the office sometimes on a laptop. We travel with
22 our laptops.

23 Q. When you refer to the office, are you
24 referring to the offices of Private Label?

25 A. I'm referring to any office that we go

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1 C. Dente

2 to. Target offices, her home.

3 Q. When she is here in New York City, does
4 she ever work at Private Label's offices?

5 A. Yes, she does.

6 Q. Does Second Skin pay any rent to
7 Private Label for that?

8 A. No.

9 Q. Could you please describe the offices
10 of Private Label? One room? Several rooms?

11 A. It's one large, open room with three --
12 two individual offices within the large open
13 room.

14 Q. Does Nilda work at an individual office
15 or does she work in the open area?

16 A. Nilda works everywhere. I mean,
17 it's -- it's -- that's a very ambiguous question.

18 Q. Does she have a desk that's her desk?

19 A. Yes, she does.

20 Q. Is that located in the big open area or
21 in one of the two rooms?

22 A. She works in both areas. She works in
23 a desk and open area, and she also works in my
24 private office.

25 Q. The desk in the open area, is that

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1 C. Dente
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2 considered her desk?

3 A. Yes, it is.

4 Q. How long has she been -- has that been
5 her desk?

6 A. I'm not sure what the question is.

7 Q. It's her desk today, right?

8 A. Yes.

9 Q. She has a desk today?

10 A. Right. It was her desk yesterday.

11 Q. If we take it back into prior
12 yesterdays --

13 A. I'm sure where you're leading with the
14 question, and I can't answer the question because
15 I don't know what the question is.

16 Q. Your job is not to understand where the
17 question's leading, just to answer them. You
18 understand --

19 A. I don't understand the question.

20 Q. We know it was her desk today. We know
21 it was her desk yesterday. When did it begin
22 being her desk?

23 A. I would have to check on that for you.
24 If this is not a memory test, I couldn't give you
25 an exact day, a specific time, a year. I would

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1 C. Dente

2 have to check.

3 Q. Has she ever had a different desk?

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4 A. Yes, she has. The business that we do
5 can be done from anywhere. It's not specific to
6 a desk or an office, a city, a state, a country.

7 Q. What's Nilda's phone number, her office
8 phone number?

9 A. Her office phone number?

10 Q. Right.

11 A. Well, we just established that she
12 didn't have a number that was registered to
13 Second Skin.

14 Q. What number --

15 A. She uses her own personal cell phone.

16 Q. Did you ever call her on a land line?

17 A. Depending on where she is. I call her
18 at her home. I call her at multiple places.

19 Q. If she's working at the offices of
20 Private Label, is there a land line there that
21 she will pick up?

22 A. Yeah. There's -- if she was in the
23 office, yes.

24 Q. Is there a specific number for her?

25 A. There's a general office number.

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1 C. Dente

2 Q. A general office?

3 A. Yes.

4 Q. If you wanted to reach her on a land
5 line when she was working at --

6 A. You would call -- you would call the
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7 main number, and you could be transferred to her.

8 Q. Does Nilda receive mail in the course
9 of her duties for Second Skin?

10 A. I assume from time to time.

11 Q. Where does she receive that mail?

12 A. Again, be specific. What mail? I
13 mean, mail is a very general...

14 Q. Business related mail relating to
15 Second Skin.

16 A. What business?

17 Q. Second Skin. Second Skin does
18 business, right?

19 A. I receive mail for Second Skin.

20 Q. She doesn't review any mail to Second
21 skin?

22 A. No.

23 Q. Where does the mail that you
24 received -- where is that received?

25 A. It's received at multiple locations,

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1 C. Dente

2 again the 935 Sedgewick Court. It could be
3 received at 597 Broadway.

4 Q. Is there a Second Skin e-mail account?

5 A. Yes, there is.

6 Q. Does Nilda have an e-mail address at
7 Second Skin?

8 A. Yes, she does.

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9 Q. Do you have one?

10 A. Yes.

11 Q. Does anybody else have one?

12 A. I would have to check on that. I don't
13 think so.

14 Q. Turning back to Exhibit 503, I
15 apologize. I'm asking a question twice, but what
16 are QC charges?

17 A. Quality inspection charges, when goods
18 are checked for quality.

19 Q. This is a cost that Private Label
20 incurred and is now charging back to Atateks; is
21 that right?

22 A. Correct. That's an agreed upon way of
23 doing business with all our factories.

24 Q. Who did you pay this amount to?

25 A. It's actually deducted from open

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1 C. Dente

2 invoices that are owed to Private Label and then
3 debited back to the factories, specific factories
4 by style. A general way and industry standard
5 way of doing business.

6 Q. Did Target deduct that amount from the
7 amount that it paid?

8 A. Target deducts the amount in different
9 ways. I can either deduct it from Private Label
10 open invoices or sometimes it's deducted from LC,
11 open LCs.

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12 Q. I'm just trying to clarify.
13 This was money in effect that Target
14 initially charged?

15 A. If it appears on a debit note, then it
16 was debited from a Private Label invoice and then
17 debited back to the specific factory.

18 Q. It would have been debited by Target;
19 is that correct?

20 A. That is correct.

21 Q. Would there be underlying documentation
22 with respect to that?

23 A. Absolutely, yes.

24 MR. GRANNIS: Off the record.

25 (Discussion off the record.)

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2 MR. GRANNIS: I'm going to show the
3 witness Plaintiffs' Exhibit 504, bearing
4 Bates numbers D 590 through D 600, entitled,
5 "Invoice 1609."

6 (Plaintiffs' Exhibit 504, Documents
7 Bearing Bates Nos. D 590 through D 600
8 marked for identification.)

9 Q. Do you recognize this document, Ms.
10 Dente?

11 A. It's the same document you showed me
12 before.

13 Q. Meaning it's the same type of document?

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14 A. Correct.

15 Q. Let me ask you this: You see on Page
16 592 there -- do you see the Bates number on the
17 bottom right?

18 A. Bates?

19 Q. It's called -- just this is lawyer
20 talk, Bates, B-A-T-E-S, is a lawyer's fancy term
21 basically for when we put a number on a document,
22 so I may refer to that.

23 MR. BYLER: Actually, there was a Mr.
24 Bates who devised this. Okay?

25 MR. GRANNIS: Right.

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1 C. Dente

2 Q. Do you see the document that says 592
3 at the bottom?

4 A. Yes.

5 Q. Does 592 relate to Page 590?

6 A. I'm not sure what the question is.

7 Q. We got these documents from your
8 counsel.

9 A. Okay.

10 Q. And they often -- I don't think they
11 were stapled. I mean that as no criticism.
12 That's very common, but we used our best
13 judgments as to what documents to staple together
14 because they seem to relate to each other.

15 A. Okay.

16 Q. So we stapled these documents together,
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17 but I don't know if they're really related.

18 Is 592 related to 590? Is it a type of
19 backup to 590 or have I just stapled together
20 documents that should be separate?

21 A. I don't know. I need time to go
22 through and specifically marry and match, and I
23 don't know.

24 If you're telling me that you attached
25 it, obviously you had good reason to attach it.

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1 C. Dente

2 Q. No, I don't necessarily know a lot
3 about the documents.

4 Maybe what I can ask you to do is, if
5 you wouldn't mind, when you are on lunch break,
6 maybe take a few minutes to see if there's any
7 connection between those documents.

8 MR. GRANNIS: I'm handing the witness
9 Plaintiffs' Exhibit 505, which bears the
10 title "Invoice 1630," and Bates Nos. D 548
11 through D 551.

12 (Plaintiffs' Exhibit 505, Documents
13 Bearing Bates Nos. D 548 through 551 marked
14 for identification.)

15 Q. Do you recognize this document, Ms.
16 Dente?

17 A. Yes, I do.

18 Q. What is this?

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19 A. It's the same document we have been
20 discussing three times in a row.

21 Q. One of them is entitled "Invoice," the
22 one you're looking at now, and Exhibit 503 was
23 entitled "Debit Note"?

24 A. I need 503 again.
25 This was a change that actually was

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1 C. Dente
2 initiated by Atateks, that they preferred to have
3 the correct title of this document noted as
4 invoice as opposed to debit note for their own
5 banking purposes.
6 Q. Fair enough.
7 From your perspective, the debit note
8 where we see these types of documents, and it
9 says debit notes versus invoice, they're really
10 just the same thing?

11 A. That is correct.

12 Q. Ocean freight charges are being charged
13 back to Atateks by Plaintiffs' Exhibit 505; is
14 that correct?

15 A. That's correct.

16 Q. How would this have come about, that
17 they would have been charged for ocean freight
18 charges?

19 A. Well, this particular situation happens
20 to stick out in my mind, that we had several
21 occasions in the year of 2006 where we had orders

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22 that were supposed to be shipped on a direct LC
23 basis, okay, meaning the LC was open to Basul,
24 transferred to Atateks.

25 Atateks was not able to fulfill their

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1 C. Dente

2 delivery obligation, so the letter of credit had
3 to be cancelled, and the goods have to be -- had
4 to be brought through our warehouse.

5 when goods are shipped on a direct LC
6 basis, Target is responsible for the sea freight.
7 If in fact we have to change the terms and the
8 goods are brought through our warehouse, we then
9 in turn would charge Atateks back for the sea
10 freight. It would become their responsibility to
11 move the freight to get it to us.

12 Q. I'm going to show you Plaintiffs'
13 Exhibit 506, titled "Invoice 1631," bearing Bates
14 Nos. 542 through 545.

15 (Plaintiffs' Exhibit 506, Documents
16 Bearing Bates Nos. 542 through 545 marked
17 for identification.)

18 Q. And is this essentially the same
19 document as you were just looking at in
20 Plaintiffs' Exhibit 505?

21 MR. BYLER: When you say the same kind
22 of document --

23 MR. GRANNIS: Same kind of document.

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24 A. Yes, the same kind of document.
25 Q. Were the circumstances for charging

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1 C. Dente 75
2 ocean freight charges the same in this case as
3 the previous exhibit?
4 A. I would have to check on a case-by-case
5 basis.
6 When I answered the question for you
7 before, I said I remember that there were several
8 occasions within the time of the year of 2006
9 where Atateks was not able to fulfill their
10 obligations on a direct LC base, and we had to
11 bring goods to the warehouse.
12 If you would want me to check invoice
13 by invoice, I could do that.
14 MR. GRANNIS: I'm going to show the
15 witness Plaintiffs' Exhibit 507. Off the
16 record.
17 (Discussion off the record.)
18 (Plaintiffs' Exhibit 507, Documents
19 Bearing Bates Nos. 535 through 539 marked
20 for identification.)
21 MR. GRANNIS: I'm handing the witness
22 Plaintiffs' Exhibit 507, which is titled,
23 "Debit Note 1632" bearing Bates Nos. 535
24 through 539.
25 Q. Ms. Dente, this is another debit note

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1 C. Dente

2 of the type we've seen before, correct?

3 A. Yes.

4 Q. In this case, expediting charges from
5 Target are being charged back to Atateks,
6 correct?

7 A. Appears that way.

8 Q. Do the remaining pages of this document
9 reflect these expediting charges shown on the
10 first page of the document?

11 A. It seems to be that way, if you look at
12 comments, vendor pays negotiated expediting
13 charges per deviation.

14 Q. Do you have any recollection or general
15 understanding as to why Atateks was being charged
16 expediting?

17 A. They were obviously late.

18 Q. Do you know whether or not there was
19 any type of e-mail negotiation which preceded the
20 issuance of this debit note?

21 A. I would have to check for you, but I
22 believe that I testified earlier that all
23 chargebacks were negotiated prior to debit notes
24 being issued.

25 Q. Was that the case even through 2007?

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1 C. Dente

2 A. Yes.

3 MR. BYLER: Just objection to the form.
4 2007? Do you mean 2007?

5 Q. Do you have any recollection that debit
6 notes were issued as late as April 2007?

7 A. I would have to check.

8 MR. GRANNIS: I am showing the witness
9 what has been marked as Plaintiffs' Exhibit
10 508, titled "Debit Note 1634," with Bates
11 No. 857 through 858.

12 (Plaintiffs' Exhibit 508, Documents
13 Bearing Bats Nos. 857 through 858 marked for
14 identification.)

15 Q. Ms. Dente, this is another debit note
16 of the type we have seen before, correct?

17 A. That is correct.

18 Q. You see it states that new store
19 discount. Do you see that?

20 A. Yes.

21 Q. Could you tell me what a new store
22 discount is?

23 A. When Target opens a new store, we
24 agreed to a certain amount of goods of a master
25 purchase order that we're manufacturing to be

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1 C. Dente

2 delivered for that new store set, so the day the
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3 doors open, obviously there was no product
4 ordered specifically, so they add on to product
5 that was already been ordered so they have goods
6 to open the new store, and they ask for a
7 discount for them.

8 MR. GRANNIS: Would you read that back?

9 (Answer read.)

10 Q. Ms. Dente, I'm not sure I understood.
11 If there was a purchase order for, say,
12 10,000 garments, and this new store opens up --

13 A. Okay.

14 Q. -- would some of those 10,000 garments
15 be directed to the new store or are you saying
16 that you would add to the number of garments
17 reflected in the purchase order?

18 A. We would create a separate purchase
19 order and add to it.

20 Q. Would the separate purchase order
21 reflect this discount?

22 A. I don't know. I would have to check.

23 Q. When did you first encounter with
24 Target this new store discount policy?

25 A. They have always done business that

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1 C. Dente
2 way. It's standard industry practice.

3 Q. Was it common for Target to impose this
4 new store discount?

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5 A. Yes.

6 Q. Do you know when Atateks's goods were
7 first sold at a new store and, therefore,
8 discounted?

9 A. I have no idea. I would have to check.

10 Q. This new store discount chargeback is
11 being issued in November of 2006.

12 A. Okay.

13 Q. Correct?

14 A. That's what it looks like.

15 Q. At this point, Private Label has been
16 doing business with Atateks for three or four
17 years?

18 A. Since, I think we established, around
19 2002.

20 Q. So that's about four years?

21 A. Uh-huh.

22 Q. And there have been hundreds of
23 thousands or millions -- have to be millions of
24 garments?

25 A. Yes, millions.

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1 C. Dente

2 Q. Do you think it's possible that the
3 first time that they -- that Target imposed the
4 new store discount on goods by Atateks was
5 November 2006?

6 A. I would have to check. I don't think
7 it would be possible, but I would have to check,
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8 since we had been doing business, as you said,
9 for four years.

10 Q. We have not been able to locate any
11 chargeback to Atateks with respect to a new store
12 discount until November of 2006.

13 A. It is possible. Like I said, I would
14 have to check. It's possible that none of the
15 styles that were being manufactured by Atateks
16 were chosen for the new store openings, as I told
17 you that Target on a case-by-case basis, as they
18 determine they are going to be opening new
19 stores, go back and issue additional goods
20 against master purchase orders that have been
21 opened, so could have been that another vendor's
22 styles were chosen for the new store opening.

23 Q. Is it possible that Target did impose
24 new store discounts before on Atateks's goods,
25 but you simply didn't charge them back to

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1 C. Dente

2 Atateks?

3 A. I would really have to check, Eric. I
4 mean, really in fairness, again --

5 Q. How would you check?

6 A. Have to go back and check the debit
7 notes that we have on file.

8 Q. How would you check whether or not
9 Atateks's goods had previously been subject to a